

COMPLETE STATEMENT
OF
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THE SUBCOMMITTEE ON ENERGY AND RESOURCES
COMMITTEE ON GOVERNMENT REFORM
UNITED STATES HOUSE OF REPRESENTATIVES

ON
“STRENGTHENING THE NATION’S WATER INFRASTRUCTURE:
THE ARMY CORPS OF ENGINEERS’ PLANNING PRIORITIES”

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MR. CHAIRMAN AND DISTINGUISHED MEMBERS OF THE SUBCOMMITTEE:

I am honored to be testifying before you on “Strengthening the Nation’s Water Infrastructure: The U.S. Army Corps of Engineers Planning Priorities.” The Corps of Engineers civil works program provides a framework to develop reasoned environmental and engineering solutions to support the water resources needs of our Nation.

Over the last few years the Corps has implemented several initiatives to improve its planning processes and maintain and strengthen its planning expertise. These initiatives include revisions to the planning guidance, the planning models improvement program, peer review, the establishment of planning centers of expertise, planner capability development, as well as project priority setting and financial management. I would like to briefly describe each of these initiatives for you.

PLANNING GUIDANCE

The Corps water resources planning process is guided by the U. S. Water Resources Council’s 1983 Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies. The analyses required for individual project decisions go well beyond the calculation of benefit/cost ratios. Systematic evaluation of projects of different scales, approaches, and scopes is required so that trade-offs among different mixes of project purposes and alternative solutions can be identified. Decision-makers, including Congress, can then evaluate the relative merits of different plans in light of prevailing economic and environmental values. This structured planning

process is equally applicable to project planning regardless of whether project benefits are economic or environmental.

Using the Principles and Guidelines as the basic analytical framework, the Corps has developed its planning guidance in response to evolving national priorities and Congressional direction, which include considerations such as greater emphasis on environmental protection and restoration and greater collaboration among project interests. The Corps has also been a pioneer in applying its techniques of cost effectiveness and incremental analysis to ecosystem restoration plans and multipurpose plans that provide a mix of economic and ecological outputs. Recently, the Corps issued guidance to broaden planning considerations through collaborative watershed planning, and to more fully document alternative plans' beneficial and adverse effects in the areas of national economic development, environmental quality, regional economic development and other social effects. This approach will provide a basis for more comprehensive solutions to complex water resource challenges.

While the planning process identified in the Principles and Guidelines dates from 1983, Congress identified the environmental mission for the Corps in the Water Resources Development Act of 1990. Since this legislation, the Corps has developed additional engineering and environmental expertise in the engineering, design, and construction of ecosystem restoration projects. The Corps' Environmental Operating Principles communicates its commitment to meeting water resources needs in an environmentally sustainable manner.

PLANNING MODELS IMPROVEMENT PROGRAM

The use of technical models is part of the science and engineering that form the foundation of our investment decision documents. To ensure the quality and credibility of the Corps' models, the Corps implemented a Planning Models Improvement Program (PMIP). The PMIP enhances the planning capability of the Corps by requiring the use of certified and defensible technical models in the development of its decision documents. Recent planning guidance issued in May 2005 prescribes the corporate business process and policy for the development, certification through expert peer review, training, and on-going support of planning models. With the continued emphasis on the PMIP by our six Planning Centers of Expertise, which I will discuss further below, Corps planners will have a toolbox of certified planning models. The use of the certified models will improve our ability to provide theoretically and technically sound data for decision-making. The guidance and emphasis of the PMIP should also, in the long term, result in significant efficiencies in conducting planning studies.

PEER REVIEW

Early last year the Corps adopted a peer review process as called for in the Information Quality Act. Our peer review process closely follows the Final Information Quality Bulletin for Peer Review issued by the Office of Management and Budget in 2004. The purpose of peer review is to ensure that the technical quality of Corps reports is evaluated by a group of independent reviewers not involved with the report production. Most planning reports will have an independent technical review by the appropriate Planning Centers of Expertise, outside of the district producing the report. Potential projects that are controversial, precedent setting, or that have significant national effects will also require an external peer review by experts from outside the Corps. This new peer review process applies to the review of “scientific information,” “influential scientific information,” “scientific assessment,” and “highly influential scientific assessment” as defined in the Office of Management and Budget’s Final Information Quality Bulletin for Peer Review. This includes factual inputs, data, the use of models, analyses, assumptions, and other scientific and engineering matters that inform decision-making. Within the Corps, this typically includes but is not limited to: economic and environmental assumptions and projections, evaluation data, economic analyses, environmental analyses, engineering analyses (including hydrology and hydraulics, geotechnical, structural, etc.), methods for integrating risk and uncertainty and for conducting trade-offs, and the use of models in the evaluation of engineering, economic and environmental effects. In addition, external peer review is added in those special cases where the risk and magnitude of a proposed project are such that a critical examination by a qualified person or team outside of the Corps is necessary.

Corps guidance emphasizes integrating peer review (including external peer review) during the planning process where possible, rather than waiting until the end of the study. As an example, the Chief of Engineers is having the American Society of Civil Engineers (ASCE) provide external peer review of the Corps’ Interagency Performance Evaluation Task Force evaluation of the levee breaches in New Orleans. In addition, the Assistant Secretary of the Army for Civil Works is having the National Academies of Science provide independent review of both the Corps and ASCE reports.

The peer review process also has significant built-in accountability and public involvement. The Corps requires that all significant planning studies provide for the posting of peer review plans to a central web site where the public and interested parties may review and comment on the proposed reviews. In addition, the Governor of a State or the head of a natural resources agency may request a mandatory external peer review of scientific information used to inform project decisions affecting them. These features improve our ability to identify areas of significant controversy or risk that warrant external review of a project study, and also provide the opportunity for stakeholders to influence peer review decisions. Additionally, the Corps recently established an internal review process headed by the Civil Works Review Board (CWRB). All significant proposed Civil Works water resources projects will be presented to the CWRB, which is composed of Corps Senior Executive Service personnel and the Deputy Commanding General. The purpose of the CWRB is to determine if the planning recommendations from the Corps district are ready for formal State and Agency review of a proposed Report of the Chief of Engineers.

PLANNING CENTERS OF EXPERTISE

In August 2003, the Director of Civil Works designated six national Planning Centers of Expertise (PCX) to enhance the Corps' planning capability for inland navigation, deep draft navigation, ecosystem restoration, storm damage reduction, flood damage reduction, and water management and reallocation. The Centers have key roles in maintaining and strengthening planner core competencies, providing technical assistance, providing independent review, transferring the latest technology, and sharing lessons learned and best practices throughout the Corps' Planning Community of Practice. Efforts to more fully develop the Centers are consistent with the Section 936 (WRDA 1986) directive to implement measures to improve planning capabilities, the Section 216 (WRDA 2000) suggestions for focusing and increasing centralization of planning expertise, and the various Corps reform initiatives for increasing product quality and corporate accountability. With the increasing maturity and development of the Centers, the Corps can more widely leverage its resources regionally and nationally. Fully functioning Centers will provide leadership for the Corps planning process nationwide, support the regional technical specialists, provide for independent technical reviews, ensure certified models are used in decision making documents, share lessons learned, develop core training modules, and oversee the implementation of new guidance. The Planning Centers of Expertise are part of the Corps' commitment to improve the quality and effectiveness of water resources planning as outlined in its national initiative known as the Planning Excellence Program.

PLANNER CAPABILITY DEVELOPMENT

The ability of an organization to work with not only the scientific / engineering aspects of water resources but also the economic and environmental components depends upon a multi-talented, experienced workforce. One way the Corps is addressing the need for experienced planners is through the Planning Associates (PA) Program that is an advanced training opportunity for Corps' water resource planners at the journeyman level. The goals of the PA program are to broaden the planner's competencies in solving complex water resources problems, to strengthen their leadership skills, and to retain critical planner capability within the Corps. The Corps has also established an Advanced Degree Program in Integrated Water Resources Planning & Management that has been created in close partnership between the Universities Council on Water Resources and USACE. It is designed to provide the next generation of Corps water resources professionals with a requisite skill set to address multi-objective planning and management. Planners completing the program earn a Masters Degree or Doctorate from one of the participating accredited universities.

PROJECT PRIORITY SETTING AND FINANCIAL MANAGEMENT

The Corps has played, and continues to play, a large role in the development and management of the nation's water and related land resources. The Administration's FY07 budget for the Corps incorporates objective performance-based metrics for the construction program, funds the continued operation of commercial navigation and other water resource infrastructure, and supports restoration of nationally and regionally significant aquatic ecosystems, with emphasis on the Florida Everglades, the Upper Mississippi River, and the coastal wetlands of Louisiana.

The budget proposes that the Administration and Congress use objective performance criteria to establish priorities among projects including potential new starts, and through a change in Corps contracting practices to increase control over future contract obligations. The criteria proposed include the ratio of remaining benefits to remaining costs for projects with economic outputs; the extent to which the project cost-effectively contributes to the restoration of a nationally or regionally significant aquatic ecosystem that has become degraded as a result of a Civil Works project or to an aquatic ecosystem restoration effort for which the Corps is otherwise uniquely well-suited; and giving priority to dam safety assurance, seepage control, static instability correction, and projects that address significant risk to human safety. With the exception of up to 10 percent of the available funds that could be allocated to any project under construction regardless of performance, resources are allocated based on Corps estimates to achieve the highest net economic and environmental returns and address significant risk to human safety. Over time, this performance-based approach to developing the Corps construction budget would significantly improve the benefits to the Nation from the Civil Works construction program.

We believe that focusing our effort to fund and complete a smaller, more beneficial set of projects will improve overall program performance and bring higher net benefits per dollar to the Nation sooner. That is why the budget proposes only one new, high priority construction start and accelerates completion of the highest-return projects.

The budget also supports performance-based budgeting for the operation and maintenance program by funding ongoing efforts to develop better risk-based facility condition indices and asset management systems. These analytical tools will improve our ability in the future to develop long-term asset management strategies and establish priorities for the operation, maintenance and management of Civil Works assets. Our goal is to begin using these improved analytical tools within two years.

The focus on Civil Works performance has a number of foundations. First, the Civil Works Strategic Plan, which was updated in 2004, provides goals, objectives, and performance measures that are specific to program areas as well as some that are crosscutting. Second, program areas are assessed using the Program Assessment Rating Tool (PART). A PART review helps identify a program's strengths and weaknesses to inform funding and management decisions aimed at making the program more effective. The PART therefore looks at all factors that affect and reflect program performance including program purpose and design; performance measurement, evaluations, and strategic planning; program management; and program results. Because the PART

includes a consistent series of analytical questions, it allows programs to show improvements over time, and allows comparisons between similar programs. Both the Civil Works Strategic Plan and the PART-based program evaluations are works-in-progress and will continue to be updated.

Budget decisions link to performance in two ways. First, we evaluate alternative funding levels in terms of their outputs and outcomes, as measured by the program area metrics. Second, we use these metrics to rank work within each account and within each program area and to decide how to allocate resources among the accounts and program areas.

CONCLUSION

Mr. Chairman, the Corps of Engineers is committed to staying at the leading edge of service to the Nation. The Corps is using its planning capability to work collaboratively with other Federal and State agencies to develop water resource solutions. I am confident that the planning process improvements and performance based budgeting recently undertaken by the Corps of Engineers have strengthened our ability to be responsive to the Nation's complex water resources needs using an open, collaborative, integrated approach.

The Office of the Assistant Secretary of the Army (Civil Works) is also committed through our oversight responsibilities for the Corps of Engineers Civil Works Program to improving the water resources planning process and the overall performance of the Civil Works program.

My office, Project Planning and Review, works independently of, but in close coordination with, the Corps of Engineers. We review the reports of the Chief of Engineers and coordinate with the Office of Management and Budget to determine the Administration's position on support for authorization and budgeting.

Thank you again for the opportunity to testify today. I will be happy to answer any questions.